

EXHIBIT “A”

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Kern County Superior Court
By Vickie Fogerson, Deputy

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Bakersfield, CA 93309
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5 Attorney for Plaintiff:
Congregation B'nai Jacob of Kern County
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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **COUNTY OF KERN, METROPOLITAN DISTRICT**
10

11 CONGREGATION B'NAI JACOB OF KERN
COUNTY, a domestic nonprofit corporation,

Case No. BCV-21-102263

COMPLAINT

12 Plaintiff,

13 v.
14

15 CHURCH MUTUAL INSURANCE
COMPANY, S.I., a Wisconsin corporation;
and DOES 1 through 10, inclusive,

16 Defendants.
17

18 Plaintiff alleges as follows:

19 1. Plaintiff CONGREGATION B'NAI JACOB OF KERN COUNTY ("Plaintiff") is a
20 domestic nonprofit corporation with its principal place of business in Bakersfield, California.

21 2. Plaintiff is informed and believes that Defendant CHURCH MUTUAL
22 INSURANCE COMPANY, S.I. ("Church Mutual") is a Wisconsin corporation which is engaged in
23 the business of issuing insurance coverage throughout the United States.

24 3. Defendants DOES 1 through 10, inclusive, are sued herein under fictitious names.
25 Their true names and capacities are unknown to Plaintiff. When their true names and capacities are
26 ascertained, Plaintiff will amend this complaint by inserting such true names and capacities herein.
27
28

1 Plaintiff is informed and believes and thereon allege that each of the fictitiously-named Defendants
2 is the agent and/or employee of each other Defendant.

3 4. Venue is proper in the County of Kern based on the fact that a substantial part of the
4 events or omissions giving rise to the claims alleged herein occurred in Bakersfield, California.

5 5. At all times relevant, Plaintiff has been the owner of certain real property commonly
6 known as 600 17th Street, Bakersfield, CA 93301, upon which property is located a synagogue ("the
7 Property").

8 6. At all relevant times, the Property was insured under a sequence of Series A Multi-
9 Peril Policies of Insurance issued by Church insuring the Property against damage and loss
10 (collectively, "the Policy"). Said Policies include but are not limited to the following Nos.:

11 0250230-02-194722; 890508; 978650; 091137; 189939; 564955; 673867; 778916; 07-
12 964111; 07-0-767292; 07-669480; 07-546735; 07-870958; 07-7653317; and 07-186417.

13 7. A copy of one of that series of insurance policies, covering the relevant period is
14 appended hereto and incorporated herein by this reference as **Exhibit A**. Plaintiff is informed and
15 believes that Exhibit A

16 8. constitutes a true and accurate copy of the Policy covering the Property for the
17 referenced time periods.

18 9. Said Policy insured the Plaintiff's Buildings and the roofing system against damage
19 caused by wind and inclement weather, including the repair and/or replacement of such damaged
20 roofing system.

21 10. On or around September 3, 2017 a storm resulted in interior water damage and wind
22 damage to the asbestos roof shingles at the Property ("2017 Storm").

23 11. Plaintiff timely made a claim to Church Mutual with respect to the 2017 Storm.

24 12. Rimkus Consulting Group, Inc. ("Rimkus") was retained by Church Mutual to
25 inspect the Property and provide an analysis of Plaintiff's claims of damage with respect to the 2017
26 Storm.

27 13. On June 9, 2018 Rimkus inspected the Property to evaluate damage to the Property
28 caused by the 2017 Storm.

1 14. On June 11, 2018 Rimkus issued a written report, falsely describing the cause and
2 extent of damage to the Property and the roofing system, including misidentifying the type of
3 roofing shingles employed and in place on the damaged roof ("2018 Rimkus Report").

4 15. Plaintiff is informed and believes and thereon alleges that based upon the 2018
5 Rimkus Report, Plaintiff's claim was denied.

6 16. On or around October 30, 2019 a second storm resulted in further damage to the
7 asbestos roof shingles at the Property ("2019 Storm").

8 17. Plaintiff again made a timely claim to Church Mutual with respect to the 2019 Storm.

9 18. On November 20, 2019 Rimkus again inspected the Property to evaluate damage to
10 the Property caused by the 2019 Storm.

11 19. On December 5, 2019 Rimkus issued a second written report, again denying that
12 there was any wind or storm related damage to the Plaintiff's roofing system ("2019 Rimkus
13 Report").

14 20. On December 10, 2019 Church Mutual issued Plaintiff a letter denying any and all
15 coverage obligations to Plaintiff under the Policy with respect to the 2019 Storm.

16 21. The 2017 Storm and the 2019 Storm will be referred to collectively as "the Storms."
17 The 2018 Rimkus Report and the 2019 Rimkus Report will be referred to collectively as "the
18 Rimkus Reports."

19 22. Plaintiff is informed and believes that Church Mutual's denials of Plaintiff's claims
20 with respect to the Storms were purportedly based on the contents of the Rimkus Reports.

21 23. The Rimkus Reports were factually and conclusively inaccurate and did not justify
22 Church Mutual's denial of Plaintiff's claims. Illustrative examples of the inaccuracies and
23 misstatements in the Rimkus Reports are as follows:

24 a. In concluding that the roof tiles at the Property were not damaged by wind,
25 the 2018 Report specifically relied on the characterization of wind damage to concrete tiles, when
26 it was known to Rimkus that the relevant portion of the roof system at the Property was composed
27 of asbestos shingles, not concrete tiles.

1 b. The Rimkus Reports assert that no wind damage to the roofing shingles
2 occurred, despite weather reports indicating that substantial wind speeds exceeding 35 miles-per-
3 hour with gusts exceeding 40 miles-per-hour were noted in the area at the time of the Storms.

4 c. The Rimkus Reports attributed the deterioration of the roof and missing and
5 broken "tiles" to "aging, thermal expansion and contraction, shrinkage and foot traffic," when it is
6 well known that the properties of asbestos shingles are such that aging, thermal expansion and
7 contraction, and shrinkage are not a material factors with respect to the performance of asbestos
8 shingles over extended periods of time. Nor was it at all likely that any "foot traffic" had caused
9 damage to roofs on the Property, as the roofs are so steeply sloped as to make foot traffic all but
10 impossible.

11 24. Plaintiff is further informed and believes that on or around the date of the 2017
12 Storm, the First Christian Church of Bakersfield, dba Mill Creek Christian Church ("Mill Creek"),
13 another house of worship located approximately 300 feet south of the Property, and which was also
14 insured by Church Mutual, suffered nearly identical storm-related damage to an asbestos shingle
15 roof on a similar A-frame sloped structure. Plaintiff is further informed and believes that Mill Creek
16 made a claim for such damage, which was accepted and verified as wind damage by Church Mutual,
17 resulting in replacement of their roof system and substantial compensation to Mill Creek.

18 25. In early 2020, Plaintiff engaged the services of roofing expert Rick Harris of Harris
19 Roof Consultants, Inc. ("Harris"). Harris inspected the Property on March 9, 2020, and on March
20 24, 2020 issued a report, describing the inaccurate factual finding and erroneous conclusions of the
21 Rimkus Reports (the "Harris Report").

22 26. The Harris Report analyzed the Rimkus Reports and the purported factual bases for
23 Church Mutual's denial of Plaintiff's claims. The Harris Report refuted the Rimkus Reports in
24 detail, and concluded that the Storms had resulted in wind damage to all the roof slopes on all the
25 adjoining buildings with asbestos shingles at the Property.

26 27. Plaintiff is informed and believes that the Harris Report was provided to Church
27 Mutual, but that Church Mutual failed and refused to reconsider the bases for its denial of Plaintiff's
28 claims.

28. On July 7, 2020, attorney Ray Mullen, on behalf of Plaintiff, sent a letter to Church Mutual. In this letter, Mr. Mullen raised specific issues for consideration by Church Mutual in requesting that the insurer withdraw its prior denial of coverage.

29. On July 28, 2020, Church Mutual sent a letter to Mr. Mullen,. In this letter, Church Mutual reaffirmed its denial of coverage without substantively addressing the issues raised by Mr. Mullen on behalf of Plaintiff.

FIRST CAUSE OF ACTION

(Breach of Written Contract – Against all Defendants)

30. Plaintiff hereby incorporates by reference each and every allegation set forth above as if fully set forth herein.

31. The Storms occurred while the Policy was in full force and effect.

32. The Storms resulted in property damage to the Property covered under the Policy. By reason thereof, under the terms of the Policy, Plaintiff became entitled to receive from Defendants, and Defendants became obligated to pay to Plaintiff, the amount necessary to repair the Property.

33. Plaintiff made timely claims to Defendants with respect to the damage to the Property cause by the Storms.

34. Defendants wrongfully denied any and all coverage obligations to Plaintiff under the Policy, and by doing so breached their coverage obligations under the Policy.

35. As a proximate result of Defendants' failure and refusal acknowledge their coverage obligations under the Policy, Plaintiff has been damaged in an amount according to proof, but exceeding \$25,000.00.

SECOND CAUSE OF ACTION

(Tortious Breach of Contract – Against All Defendants)

36. In breaching their coverage obligations under the Policy, Defendants acted unreasonably and in bad faith by (1) negligently and/or intentionally attempting to and actually misleading Plaintiff into believing that the contentions of non-coverage made in their written denial letters were true and accurate reflections of the meaning and effect of the terms of the Policy; (2)

1 relying on material misrepresentations set forth in the Rimkus Reports and refusing to reconsider
2 their denial when such misrepresentations were made known to Defendants; and (3) denying
3 Plaintiff the benefits which it was entitled under the Policy.

4 37. Contrary Defendants' written representations in their denial letters, Defendants either
5 actually knew or should have known at the time denial letters were written that the denial contained
6 material misrepresentations of the meaning and effect of the Policy, as well as material
7 misrepresentations of the factual basis for Defendants' coverage determination.

8 38. Had Defendants made a good faith and truthful representation of the meaning and
9 effect of the relevant terms of the Policy at the time they issued the denial letters, and had Defendants
10 made a good faith investigation into Plaintiff's claims, they would have acknowledged the
11 immediate duty to indemnify Plaintiff against the losses it incurred as a result of the Storms.

12 39. Plaintiff is informed and believes that the evidence elicited through the process of
13 discovery will establish that Defendants either actually knew that they owed the duty to indemnify
14 Plaintiff at the time they issued the denial letters, or that they were grossly negligent in issuing the
15 denial letters, and did so for the contrived purpose of financially benefiting themselves to the
16 substantial detriment of Plaintiff, all the while knowing that their course of action was wrongful and
17 certain to substantially harm Plaintiff.

18 40. Based on the foregoing, Plaintiff alleges that the issuance of the denial letters was a
19 reflection of fraud, oppression and/or malice on the part of Defendants and that Defendants should
20 therefore be assessed with exemplary damages so as to both punish that misconduct and deter its
21 recurrence in the future.

22 WHEREFORE, Plaintiff prays for judgment against Defendants, and each of them, as
23 follows:

24 ON THE FIRST CAUSE OF ACTION:

- 25 1. For money damages in accordance with proof at trial;
- 26 2. For costs of suit incurred herein; and
- 27 3. For such other relief as the Court may deem just and equitable.

1 ON THE SECOND CAUSE OF ACTION:

- 2 1. For money damages in accordance with proof at trial;
- 3 2. For costs of suit incurred herein;
- 4 3. For punitive damages in an amount determined by the finder of fact to serve the dual
- 5 goals of punishment and deterrence; and
- 6 4. For such other relief as the Court may deem just and equitable.

7 DATED: September²¹, 2021

LAW OFFICE OF RAY T. MULLEN

8

9 By:



RAY T. MULLEN

Attorney for Plaintiff,

Congregation B'Nai Jacob of Kern County

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EXHIBIT A

POLICY NUMBER: 0250230-02-091137

EFFECTIVE: 03/10/18

CONGREGATION BNAI JACOB OF KERN COUNTY
600 17TH ST
BAKERSFIELD CA 93301-4921



75-133
YOUR REPRESENTATIVE:
CHURCH & CASUALTY INSURANCE AGENCY
3440 IRVINE AVE, SUITE 150
NEWPORT BEACH CA 92660
(800) 995-7525



Mutual Company
Noriassessable

CHURCH MUTUAL INSURANCE COMPANY

3000 Schuster Lane, P.O. Box 357, Merrill, WI 54452

COMMON POLICY DECLARATIONS PAGE

POLICY NO.: 0250230-02-091137

ITEM 1. NAMED INSURED AND ADDRESS:

CONGREGATION BNAI JACOB OF KERN COUNTY
600 17TH ST
BAKERSFIELD CA 93301-4921

ITEM 2. POLICY PERIOD: FROM 03/10/18 TO 03/10/19

12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE

0250230-02-978650

(RENEWAL OF)

ITEM 3. THE NAMED INSURED IS: RELIGIOUS INSTITUTION

ITEM 4. AGENT: 75-133

CHURCH & CASUALTY INSURANCE AGENCY
3440 IRVINE AVE, SUITE 150
NEWPORT BEACH CA 92660
(800) 995-7525

ITEM 5. THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS:

FORMS AND ENDORSEMENTS WHICH APPLY TO THIS ENTIRE POLICY:

A 050(01-98)	MUTUAL AND COMMON POLICY CONDITIONS
A 9009(01-15)	CONDITIONAL EXCLUSION OF TERRORISM
A 936(10-12)	CALIFORNIA CHANGES - CANCELLATION AND NONRENEWAL
UN 720(01-15)	NOTICE - DISCLOSURE OF TERRORISM PREMIUM

PROPERTY COVERAGE PART AND ITS FORMS AND ENDORSEMENTS:

A 100(01-01)	PROPERTY CONDITIONS
A 1001(01-08)	IDENTITY RECOVERY COVERAGE FORM
A 1009(11-08)	WATER EXCLUSION ENDORSEMENT
A 101(04-06)	BUILDING AND PERSONAL PROPERTY COVERAGE - RELIGIOUS
A 1017(06-16)	EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
A 1024(08-17)	INSTITUTIONAL INCOME AND EXTRA EXPENSE CHANGES
A 109(06-87)	CANCELLATION CHANGES
A 117.1(05-89)	COVERAGE EXTENSIONS AND ADDITIONAL COVERAGES
A 124(01-98)	OUTDOOR FENCES AND RETAINING WALLS - LIMIT OF INSURANCE
A 127(04-06)	CAUSES OF LOSS - SPECIAL FORM
A 141(06-87)	ADDITIONAL PROPERTY NOT COVERED
A 154(10-99)	SYSTEMS/EQUIPMENT BREAKDOWN COVERAGE FORM
A 936.1(12-05)	CALIFORNIA CHANGES - ACTUAL CASH VALUE
A 936.2(01-04)	CALIFORNIA CHANGES
A 945.2(01-15)	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

GENERAL LIABILITY COVERAGE PART AND ITS FORMS AND ENDORSEMENTS:

A 052(06-87)	NUCLEAR ENERGY LIABILITY EXCLUSION - BROAD FORM
A 200(01-04)	GENERAL LIABILITY COVERAGE PART - OCCURRENCE BASIS



POLICY NO.: 0250230-02-091137

GENERAL LIABILITY COVERAGE PART AND ITS FORMS AND ENDORSEMENTS:

A 200.1(12-06) AMENDATORY ENDORSEMENT - PERSONAL INJURY
A 200.2(01-17) BODILY INJURY DEFINITION
A 200.4(07-17) EXCLUSION - ASBESTOS
A 2012(12-07) CORPORATE ENTITY ENDORSEMENT
A 2013(12-07) MEDICAL EXPENSE AMENDMENT
A 202(01-04) GENERAL LIABILITY ADDITIONAL PROVISIONS - RELIGIOUS
A 2040(10-16) CYBER LIABILITY AND DATA BREACH RESPONSE COVERAGE FORM
A 2042(10-16) ADDITIONAL INSURED - CLERGY FOR RELIGIOUS INSTITUTION
A 2049(10-16) EXCLUSION - CYBER LIABILITY
A 205(06-87) LOSS OF LIFE
A 212(06-87) PRODUCTS - COMPLETED OPERATIONS HAZARD REDEFINED
A 214(06-87) CEMETERY LIABILITY
A 251(09-94) EXCLUSION - LEAD LIABILITY
A 253(01-17) LEGAL DEFENSE COVERAGE FORM
A 253.1(08-17) LEGAL DEFENSE RELIGIOUS FREEDOM PROTECTOR ENDORSEMENT
A 254(05-08) AMEND OF INSURING AGREEMENT - KNOWN INJURY OR DAMAGE
A 255(01-04) CATASTROPHIC VIOLENCE RESPONSE COVERAGE
A 262(01-17) SEXUAL MISCONDUCT OR SEXUAL MOLESTATION LIAB AND MED
A 268(05-03) WAR LIABILITY EXCLUSION
A 9006(01-15) EXCL OF PUN DAMAGES RELATED TO A CERT ACT OF TERROR
A 936.3(03-17) CALIFORNIA CHANGES
A 945.3(01-15) CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

CRIME COVERAGE PART AND ITS FORMS AND ENDORSEMENTS:

A 300(06-87) CRIME CONDITIONS FORM
A 302(05-89) CHURCH THEFT OF MONEY AND SECURITIES COVERAGE FORM
A 307(06-87) FORGERY OR ALTERATION COVERAGE FORM
A 309(06-87) BLANKET BOND COVERAGE FORM
A 336(12-05) CALIFORNIA CHANGES - ACTUAL CASH VALUE (CRIME)

INLAND MARINE COVERAGE PART AND ITS FORMS AND ENDORSEMENTS:

A 400(06-87) INLAND MARINE CONDITIONS
A 401(06-87) SPECIAL SCHEDULED PROPERTY COVERAGE FORM
A 936.1(12-05) CALIFORNIA CHANGES - ACTUAL CASH VALUE
A 936.2(01-04) CALIFORNIA CHANGES
A 945.2(01-15) CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

PROFESSIONAL LIABILITY COVERAGE PART AND ITS FORMS AND ENDORSEMENTS:

A 500(01-04) COUNSELING PROFESSIONAL LIABILITY COVERAGE-OCCURRENCE
A 501.7(08-16) EXCLUSION - FINANCIAL COUNSELING
A 505(01-17) DIRECTORS, OFFICERS AND TRUSTEES LIABILITY COVERAGE FORM
A 530(01-17) AFFILIATED ENTITY DISPUTE LEGAL DEFENSE COVERAGE ENDORSEMENT
A 534(12-07) CORPORATE ENTITY ENDORSEMENT
A 9006(01-15) EXCL OF PUN DAMAGES RELATED TO A CERT ACT OF TERROR
A 936.3(03-17) CALIFORNIA CHANGES
A 945.3(01-15) CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

HIRED AND NONOWNED AUTOMOBILE LIABILITY COVERAGE PART AND ITS FORMS AND ENDORSEMENTS:

A 600(01-04) HIRED AND NONOWNED AUTO LIAB - RELIGIOUS INSTITUTIONS
A 602(06-00) MEDICAL EXPENSE COVERAGE
A 602.1(12-07) MEDICAL EXPENSE AMENDMENT

POLICY NO.: 0250230-02-091137

HIRED AND NONOWNED AUTOMOBILE LIABILITY COVERAGE PART AND ITS FORMS AND ENDORSEMENTS:

A 605(01-03)	RENTAL AUTOMOBILE CONTRACTUAL LIABILITY ENDORSEMENT
A 606(12-07)	CORPORATE ENTITY ENDORSEMENT
A 9006(01-15)	EXCL OF PUN DAMAGES RELATED TO A CERT ACT OF TERROR
A 936.3(03-17)	CALIFORNIA CHANGES
A 945.3(01-15)	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

ITEM 6. PREMIUM: IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

\$6,674.00 DUE AT INCEPTION.

**** SUMMARY OF ADDITIONAL CHARGES (INCLUDED IN ANNUAL PREMIUM) ****

TERRORISM RISK INSURANCE: \$ 73.00 ANNUAL CHARGE

This policy includes copyrighted material of Church Mutual Insurance Company
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A 001 CD(10-99) - CA

PAGE 3

ISSUED DATE: 02/26/18



**PROPERTY COVERAGE PART
DECLARATIONS PAGE**

POLICY NO.: 0250230-02-091137

ITEM 1. DESCRIPTION OF PREMISES AND COVERAGES:

BLANKET DETAILS:	BLANKET NO.	DESCRIPTION	LIMIT OF INSURANCE
	1	BUILDING & PERSONAL PROPERTY	\$ 2,547,000

BLANKET LIMIT OF INSURANCE IS PER SCHEDULE IN COMPANY FILE.

AGREED VALUE LIMIT OF INSURANCE IS THE BLANKET LIMIT SHOWN FOR ALL BUILDINGS AND
PERSONAL PROPERTY INCLUDED IN THE BLANKET.

PREMISES NO: 001 BUILDING NO: 001
CONSTRUCTION: FRAME
OCCUPANCY: SYNAGOGUE
LOCATION: 600 17TH ST
COUNTY: KERN
CITY/STATE: BAKERSFIELD, CA

COVERAGE: BUILDING
LIMIT OF INSURANCE: BLANKET COVERAGE - BLANKET NO. 1: BUILDING & PERSONAL PROPERTY
COINSURANCE PERCENT: 90%
COVERED CAUSE OF LOSS: SPECIAL
VALUATION: REPLACEMENT COST
OPTIONAL COVERAGE: AUTOMATIC INCREASE IN INSURANCE
AGREED VALUE

COVERAGE: PERSONAL PROPERTY
LIMIT OF INSURANCE: BLANKET COVERAGE - BLANKET NO. 1: BUILDING & PERSONAL PROPERTY
COINSURANCE PERCENT: 90%
COVERED CAUSE OF LOSS: SPECIAL
VALUATION: REPLACEMENT COST
OPTIONAL COVERAGE: AUTOMATIC INCREASE IN INSURANCE
AGREED VALUE



POLICY NO.: 0250230-02-091137

PREMISES NO: 002 BUILDING NO: 002
CONSTRUCTION: FRAME
OCCUPANCY: KERN CO FAIRBOOTH
LOCATION: 1142 S P ST
COUNTY: KERN
CITY/STATE: BAKERSFIELD, CA

COVERAGE: BUILDING
LIMIT OF INSURANCE: BLANKET COVERAGE - BLANKET NO. 1: BUILDING & PERSONAL PROPERTY
COINSURANCE PERCENT: 90%
COVERED CAUSE OF LOSS: SPECIAL
VALUATION: REPLACEMENT COST
OPTIONAL COVERAGE: AUTOMATIC INCREASE IN INSURANCE
AGREED VALUE

COVERAGE: PERSONAL PROPERTY
LIMIT OF INSURANCE: BLANKET COVERAGE - BLANKET NO. 1: BUILDING & PERSONAL PROPERTY
COINSURANCE PERCENT: 90%
COVERED CAUSE OF LOSS: SPECIAL
VALUATION: REPLACEMENT COST
OPTIONAL COVERAGE: AUTOMATIC INCREASE IN INSURANCE
AGREED VALUE

PREMISES NO: 003 BUILDING NO: 003
OCCUPANCY: CEMETERY AND FENCE
LOCATION: 551 S TULARE AVE
COUNTY: KERN
CITY/STATE: BAKERSFIELD, CA

OUTDOOR FENCE. LIMIT OF INSURANCE: \$51,000
DESCRIPTION: CEMENT BLOCK
COINSURANCE PERCENT: 90%
VALUATION: REPLACEMENT COST
OPTIONAL COVERAGE: AUTOMATIC INCREASE IN INSURANCE. AGREED VALUE

ADDITIONAL COVERAGES OR ENDORSEMENTS

COVERAGE EXTENSION: OUTDOOR TREES, LAWNS, PLANTS, OR SHRUBS
LIMIT OF INSURANCE: \$5,000 EACH ITEM \$50,000 ANY ONE OCCURRENCE
COVERAGE EXTENSION: STRUCTURES ON PREMISES
LIMIT OF INSURANCE: \$20,000 ANY ONE OCCURRENCE

POLICY NO.: 0250230-02-091137

ADDITIONAL COVERAGE: INSTITUTIONAL INCOME & EXTRA EXPENSE
LIMIT OF INSURANCE: \$50,000 ANY ONE OCCURRENCE

ADDITIONAL COVERAGE: BUILDING ORDINANCE
LIMIT OF INSURANCE: \$500,000 ANY ONE OCCURRENCE

ITEM 2. DEDUCTIBLE - OCCURRENCE:

\$2,500

ITEM 3. ENDORSEMENTS:

ADDITIONAL PROPERTY NOT COVERED ENDORSEMENT

DESCRIPTION: PREMISES 003, BUILDING 003, MAUSOLEUM, TOMBSTONE,
COLUMBARIUM, OR ANY SIMILAR GRAVE SITE STRUCTURE.

ITEM 4. MORTGAGEHOLDERS, LOSS PAYEES, AND CONTRACT SELLERS:

NONE



**GENERAL LIABILITY COVERAGE PART
DECLARATIONS PAGE**

POLICY NO.: 0250230-02-091137

ITEM 1. LIMITS OF INSURANCE:

GENERAL AGGREGATE LIMIT (OTHER THAN PRODUCTS - COMPLETED OPERATIONS AND SEXUAL MISCONDUCT OR SEXUAL MOLESTATION)	\$ 5,000,000
PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT	\$ 2,000,000
EACH OCCURRENCE LIMIT (BODILY INJURY AND PROPERTY DAMAGE COMBINED)	\$ 2,000,000
PERSONAL AND ADVERTISING INJURY LIMIT (COMBINED)	\$ 2,000,000
MEDICAL EXPENSE LIMIT - ANY ONE PERSON (OTHER THAN SEXUAL MISCONDUCT OR SEXUAL MOLESTATION)	\$ 15,000
PROPERTY DAMAGE LEGAL LIABILITY - ANY ONE OCCURRENCE	\$ 1,000,000
SEXUAL MISCONDUCT OR SEXUAL MOLESTATION LIMIT (COMBINED) - ALL LOCATIONS AND OPERATIONS	
EACH CLAIM LIMIT	\$ 300,000
AGGREGATE LIMIT	\$ 300,000
SEXUAL MISCONDUCT OR SEXUAL MOLESTATION MEDICAL EXPENSE LIMIT	
ANY ONE PERSON	\$ 10,000
AGGREGATE LIMIT	\$ 50,000
LEGAL DEFENSE COVERAGE LIMIT	
EACH DEFENSIBLE INCIDENT LIMIT	\$ 100,000
AGGREGATE LIMIT	\$ 300,000
CATASTROPHIC VIOLENCE RESPONSE	
PER PERSON LIMIT	\$ 50,000
EACH VIOLENT INCIDENT LIMIT	\$ 300,000
VIOLENT INCIDENT AGGREGATE LIMIT	\$ 300,000

ITEM 2. DESCRIPTION AND CLASSIFICATION OF PREMISES AND OPERATIONS:

ALL PREMISES AND OPERATIONS UNLESS EXCLUDED IN ITEM 3 BELOW.

NONE

ITEM 3. EXCLUSION ENDORSEMENTS:

NONE

OTHER ENDORSEMENTS:



POLICY NO.: 0250230-02-091137

LOSS OF LIFE ENDORSEMENT. EACH PERSON LIMIT OF INSURANCE:	\$	15,000
EACH ACCIDENT LIMIT OF INSURANCE:	\$	20,000

PRODUCTS/COMPLETED OPERATIONS HAZARD REDEFINED. SCHEDULE OF
PREMISES OR OPERATIONS:

KERN CO FAIRBOOTH

**GENERAL LIABILITY COVERAGE PART
CYBER LIABILITY AND DATA BREACH RESPONSE COVERAGE
CLAIMS-MADE
DECLARATIONS PAGE**

**Your Cyber Liability and Data Breach Response Coverage is Claims-Made Coverage.
Please read the entire policy carefully.**

POLICY NO.: 0250230-02-091137

ITEM 1. LIMITS OF INSURANCE:

CYBER LIABILITY AND DATA BREACH RESPONSE (EXCLUDING PRIVACY BREACH RESPONSE SERVICES) AGGREGATE LIMIT OF LIABILITY	\$ 50,000
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INSURING AGREEMENTS A. INFORMATION SECURITY AND PRIVACY
LIABILITY AND D. WEBSITE MEDIA CONTENT LIABILITY ARE SUBJECT
TO THE AGGREGATE LIMIT OF LIABILITY

INSURING AGREEMENT C. REGULATORY DEFENSE AND PENALTIES AGGREGATE SUBLIMIT OF LIABILITY	\$ 10,000
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INSURING AGREEMENT E. PCI FINES, EXPENSES, AND COSTS AGGREGATE SUBLIMIT OF LIABILITY	\$ 5,000
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INSURING AGREEMENT F. CYBER EXTORTION AGGREGATE SUBLIMIT OF LIABILITY	\$ 10,000
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INSURING AGREEMENT G. FIRST PARTY DATA PROTECTION AGGREGATE SUBLIMIT OF LIABILITY	\$ 10,000
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INSURING AGREEMENT H. FIRST PARTY NETWORK BUSINESS INTERRUPTION AGGREGATE SUBLIMIT OF LIABILITY	\$ 10,000
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INSURING AGREEMENT B. PRIVACY BREACH RESPONSE SERVICES LIMITS

ALL "COMPUTER EXPERT SERVICES", "LEGAL SERVICES", AND "PUBLIC RELATIONS AND CRISIS MANAGEMENT EXPENSES" AGGREGATE LIMIT	\$ 25,000
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"NOTIFIED INDIVIDUALS" AGGREGATE LIMIT	5,000 NOTIFIED INDIVIDUALS
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**"CLAIM EXPENSES" ARE PAYABLE WITHIN, AND NOT IN ADDITION TO, THE LIMIT OF LIABILITY.
PAYMENT OF "CLAIMS EXPENSES" UNDER THIS COVERAGE FORM WILL REDUCE THE LIMIT OF
INSURANCE.**



POLICY NO.: 0250230-02-091137

CYBER LIABILITY AND DATA BREACH RESPONSE COVERAGE FORM CLAIMS-MADE COVERAGE DOES NOT APPLY TO LOSS COVERED UNDER THE FOLLOWING INSURING AGREEMENTS: A. INFORMATION SECURITY AND PRIVACY LIABILITY; C. REGULATORY DEFENSE AND PENALTIES; D. WEBSITE MEDIA CONTENT LIABILITY; OR E. PCI FINES, EXPENSES, AND COSTS WHICH OCCURS BEFORE THE RETROACTIVE DATE, IF ANY, SHOWN BELOW.

RETROACTIVE DATE: 03/10/18

CYBER LIABILITY AND DATA BREACH RESPONSE COVERAGE FORM INSURING AGREEMENTS: B. PRIVACY BREACH RESPONSE SERVICES LIMITS OF COVERAGE, F. CYBER EXTORTION, G. FIRST PARTY DATA PROTECTION, AND H. FIRST PARTY NETWORK BUSINESS INTERRUPTION PROVIDE FIRST PARTY COVERAGE ON AN INCIDENT DISCOVERED AND REPORTED BASIS AND APPLY ONLY TO INCIDENTS FIRST DISCOVERED AND REPORTED TO US DURING THE POLICY PERIOD.

CYBER LIABILITY AND DATA BREACH RESPONSE "CONTINUITY DATE": 03/10/18

ITEM 2. RETENTIONS

THE FOLLOWING INSURING AGREEMENTS: A. INFORMATION SECURITY AND PRIVACY LIABILITY; C. REGULATORY DEFENSE AND PENALTIES; D. WEBSITE MEDIA CONTENT LIABILITY; E. PCI FINES, EXPENSES, AND COSTS; F. CYBER EXTORTION; AND G. FIRST PARTY DATA PROTECTION	\$ 2,500
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INSURING AGREEMENT B. PRIVACY BREACH RESPONSE SERVICES

"COMPUTER EXPERT SERVICES", "LEGAL SERVICES", AND "PUBLIC RELATIONS AND CRISIS MANAGEMENT SERVICES"	\$ 2,500
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NOTIFICATION SERVICES, CALL CENTER SERVICES, AND BREACH RESOLUTION AND MITIGATION SERVICES	100 NOTIFIED INDIVIDUALS
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INSURING AGREEMENT H. FIRST PARTY NETWORK BUSINESS INTERRUPTION

BUSINESS INTERRUPTION LOSS	\$ 5,000
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WAITING PERIOD	12 HOURS
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ITEM 3. EXCLUSION ENDORSEMENTS:

NONE

OTHER ENDORSEMENTS:

NONE

**CRIME COVERAGE PART
DECLARATIONS PAGE**

POLICY NO.: 0250230-02-091137

ITEM 1. DESCRIPTION OF PREMISES AND COVERAGES:

PREMISES NO: 001 BUILDING NO: 001
CONSTRUCTION: FRAME
OCCUPANCY: SYNAGOGUE
LOCATION: 600 17TH ST
COUNTY: KERN
CITY/STATE: BAKERSFIELD, CA

COVERAGE FORM: CHURCH THEFT OF MONEY AND SECURITIES

LIMIT OF INSURANCE: \$5,000 DEDUCTIBLE: \$250

SPECIAL COVERAGE DAYS:
KERN COUNTY FAIR, ROSH HASHANAH AND YOM KIPPUR

COVERAGE FORM: FORGERY OR ALTERATION

LIMIT OF INSURANCE: \$20,000 DEDUCTIBLE: FULL COVERAGE

COVERAGE FORM: BLANKET BOND

LIMIT OF INSURANCE: \$20,000 DEDUCTIBLE: FULL COVERAGE

ITEM 2. ENDORSEMENTS:

NONE



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES - ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

PROPERTY COVERAGE PART
INLAND MARINE COVERAGE PART

With respect to an "open policy," the following are added to any provision which uses the term actual cash value:

- A. In the event of a total loss to a building or structure, actual cash value is calculated as the lesser of the following:
 - 1. The Limit of Insurance applicable to that building or structure; or
 - 2. The fair market value of the building or structure.
- B. In the event of a partial loss to a building or structure, actual cash value is calculated as the lesser of the following:
 - 1. The amount it would cost to repair, rebuild or replace the property less a fair and reasonable deduction for physical depreciation of the components of the building or structure that are normally subject to repair or replacement during its useful life. Physical depreciation is based upon the condition of the property at the time of the loss; or
 - 2. The Limit of Insurance applicable to the property.
- C. In the event of a partial or total loss to Covered Property other than a building or structure, actual cash value is calculated as the lesser of the following:
 - 1. The amount it would cost to repair or replace the property less a fair and reasonable deduction for physical depreciation, based on the condition of the property at the time of loss; or
 - 2. The Limit of Insurance applicable to the property.
- D. An "open policy" is a policy under which the value of Covered Property is not fixed at policy inception, but is determined at the time of loss in accordance with policy provisions on valuation. The term "open policy" does not apply to Covered Property that is subject to an Agreed Value clause or similar clause that establishes an agreed value prior to loss, unless such clause has expired.

PROPERTY COVERAGE PART TABLE OF CONTENTS

Some of the Coverage Forms listed in this table of contents may not apply to your policy. Refer to the Declarations Page to determine which Coverage Forms apply.

Mutual and Common Policy Conditions - Form No. A 050

	<u>Page No.</u>		<u>Page No.</u>
Cancellation	1	Inspections and Surveys	2
Changes	2	Premiums	2
Examination of Your Books and Records	2	Transfer of Your Rights and Duties Under This Policy	2

Property Conditions - Form No. A 100

	<u>Page No.</u>		<u>Page No.</u>
Concealment, Misrepresentation, or Fraud	1	Liberalization	6
Control of Property	1	No Benefit to Bailee	6
Loss Conditions	1	Other Insurance	6
Coinurance	4	Policy Period, Coverage Territory	6
Insurance Under Two or More Coverages	5	Transfer of Rights of Recovery Against Others to Us	6
Legal Action Against Us	5	Mortgageholders	6
		Definitions	7

Religious Institutions Building and Personal Property Coverage Form - Form No. A 101

	<u>Page No.</u>		<u>Page No.</u>
Coverage	1	Coverage Extensions	3
Deductible	2	Additional Coverages	6
Limits of Insurance	3	Optional Coverages	9
Covered Causes of Loss	3	Definitions	9
Exclusions and Limitations	3		

Denominational Offices Building and Personal Property Coverage Form - Form No. A 102

	<u>Page No.</u>		<u>Page No.</u>
Coverage	1	Coverage Extensions	3
Deductible	2	Additional Coverages	6
Limits of Insurance	3	Optional Coverages	9
Covered Causes of Loss	3	Definitions	10
Exclusions and Limitations	3		

Health Care Facilities Building and Personal Property Coverage Form - Form No. A 103

	<u>Page No.</u>		<u>Page No.</u>
Coverage	1	Coverage Extensions	3
Deductible	2	Additional Coverages	6
Limits of Insurance	3	Optional Coverages	8
Covered Causes of Loss	3	Definitions	9
Exclusions and Limitations	3		

PROPERTY CONDITIONS

This Property Coverage Part is subject to the Common Policy Conditions, any other conditions in any Property Coverage Forms, and the following conditions.

Other words and phrases that appear in quotation marks have special meaning. **Refer to Paragraph M - Definition.**

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you relating to it. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. LOSS CONDITIONS

1. Abandonment.

There can be no abandonment of any property to us.

2. Appraisal.

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding.

Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties in the Event of Loss or Damage.

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when, and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values, and amount of loss claimed.

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- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- (8) Cooperate with us in the investigation or settlement of the claim.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment.

- a. In the event of loss or damage covered by this Coverage Part, at our option, we will either:

- (1) Pay the value of lost or damaged property;
- (2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;
- (3) Take all or any part of the property at an agreed or appraised value; or
- (4) Repair, rebuild or replace the property with other property of comparable kind and quality, subject to b. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

- d. We will not pay you more than your financial interest in the Covered Property.

- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payment will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part; and:

- (1) We have reached agreement with you on the amount of loss; or

- (2) An appraisal award has been made.

5. Recovered Property.

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Vacancy.

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage, we will:

- a. Not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

- (1) Vandalism;

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- (2) Sprinkler leakage, unless you have protected the system against freezing;
 - (3) Building glass breakage;
 - (4) Water damage;
 - (5) Theft; or
 - (6) Attempted theft.
- b. Reduce the amount we would otherwise pay for the loss or damage by 15%.

This Vacancy Condition does not apply to any dwelling of four families or less that is intended for employee occupancy.

A building is vacant when it does not contain enough of your personal property to conduct customary operations. Buildings in the course of construction are not considered vacant.

7. Valuation.

- a. Replacement Cost. If Replacement Cost is shown in the Declarations Page as applicable to Covered Property, we will determine the value of Covered Property in the event of loss or damage as follows:
- (1) At Replacement Cost (without deduction for depreciation) as of the time of loss or damage, except as provided under c. below.
 - (2) You may make a claim for loss or damage covered by this insurance on an "Actual Cash Value" basis instead of on a Replacement Cost basis. In the event you elect to have loss or damage settled on an "Actual Cash Value" basis:
 - (a) We will then determine the value of Covered Property on an "Actual Cash Value" basis when applying the Coinsurance Condition;
 - (b) You may still make a claim on a Replacement Cost basis if you notify us of your intent to do so within 180 days after the date of the loss or damage.
 - (3) We will not pay on a Replacement Cost basis for any loss or damage:

- (a) Until the lost or damaged property is actually repaired or replaced; and
 - (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- (4) We will not pay more for loss or damage on a Replacement Cost basis than the least of:
- (a) The Limit of Insurance applicable to the lost or damaged property;
 - (b) The cost to replace "on the same premises" the lost or damaged property with other property:
 - 1) Of comparable material and quality; and
 - 2) Used for the same purpose; or
 - (c) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

The term "on the same premises" is a limitation on the amount of loss or damage we will pay. It does not require you to replace lost or damaged property at the same site.

- (5) The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- b. "Actual Cash Value." If "Actual Cash Value" is shown in the Declarations Page as applicable to Covered Property, we will determine the value of Covered Property in the event of loss or damage at "Actual Cash Value" as of the time of loss or damage except as provided under c. below.
- c. We will determine the value of the below Covered Property as of the time of loss or damage as follows:
- (1) Glass at the minimum cost of replacement with safety glazing material if required by law;

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(2) Tenant's improvements and betterments at:

(a) "Actual Cash Value" of the lost or damaged property if you make repairs promptly;

(b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

1) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

2) Divide the amount determined in 1) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

(c) Nothing if others pay for repairs or replacement.

(3) Manuscripts and valuable papers and records, including those which exist on electronic or magnetic media (other than prepackaged software programs) at the cost of:

(a) Blank materials for reproducing the manuscripts and valuable papers and records; and

(b) Labor to transcribe or copy the manuscripts and valuable papers and records when there is a duplicate.

(4) The following applies to building property that is subject to "Actual Cash Value":

(a) If the Limit of Insurance for building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value.

1) Awnings or floor coverings;

2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or

3) Outdoor equipment or furniture.

(5) Personal property that is a work of art, antique or rare article at Market Value. This does not increase the amount of the limitation on works of art, antiques and rare articles. (Refer to the applicable Causes of Loss Form.)

(6) Property covered under the Newly Acquired Property Coverage Extension at "Actual Cash Value";

(7) Property of Others at replacement cost.

(8) Business Personal Property of Your Clergy covered under the Coverage Extension at replacement cost.

D. COINSURANCE

1. If a Coinsurance percentage is shown in the Declarations Page, the following condition applies:

a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations Page is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

(1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;

(2) Divide the Limit of Insurance of the property by the figure determined in Step (1);

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- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example No. 1 (Underinsurance):

When: The value of the property is \$250,000
 The Coinsurance percentage for it is 80%
 The Limit of Insurance for it is \$100,000
 The Deductible is \$250
 The amount of loss is \$40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
 (the minimum amount of insurance to meet your Coinsurance requirements).

Step (2): $\$100,000 \div \$200,000 = .50$.

Step (3): $\$40,000 \times .50 = \$20,000$.

Step (4): $\$20,000 - \$250 = \$19,750$.

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

Example No. 2 (Adequate Insurance):

When: The value of the property is \$250,000
 The Coinsurance percentage for it is 80%
 The Limit of Insurance for it is \$200,000
 The Deductible is \$250
 The amount of loss is \$40,000

The minimum amount of insurance to meet your coinsurance requirement is \$200,000 ($\$250,000 \times 80\%$). Therefore, the limit of insurance in this example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example No. 3:

When: The value of the property is:

Building at Location No. 1	\$ 75,000
Building at Location No. 2	\$100,000
Personal Property at Location No. 2	<u>\$ 75,000</u>
	\$250,000

The Coinsurance percentage for it is	90%
The Limit of Insurance for Buildings and Personal Property at Location Nos. 1 and 2 is	\$180,000

The Deductible is	\$ 1,000
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The amount of loss is:	
Building at Location No. 2	\$ 30,000
Personal Property at Location No. 2	<u>\$ 20,000</u>
	\$ 50,000

Step (1): $\$250,000 \times 90\% = \$225,000$
 (the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below).

Step (2): $\$180,000 \div \$225,000 = .80$.

Step (3): $\$50,000 \times .80 = \$40,000$.

Step (4): $\$40,000 - \$1,000 = \$39,000$.

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

If a loss to any covered dwelling of four families or less is valued at "Actual Cash Value", this Coinsurance Condition does not apply to that loss. However, Paragraph C.7.c.(4) applies only if the Limit of Insurance for that dwelling is at least 80% of "Actual Cash Value."

E. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the

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actual amount of the loss or damage.

F. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

G. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

H. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

I. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions, and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

J. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:

a. During the policy period shown in the Declarations Page; and

b. Within the coverage territory.

2. The coverage territory is:

- a. The United States of America (including its territories and possessions);
- b. Puerto Rico; and
- c. Canada.

K. TRANSFERS OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.

This will not restrict your insurance.

L. MORTGAGEHOLDERS

1. The term "mortgageholder" includes trustee.
2. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations Page in their order of precedence, as interests may appear.
3. The mortgageholder has the right to receive loss payments even if the mortgageholder has started foreclosure or similar action on the building or structure.

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4. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- a. Pays any premium due under this Coverage Part at our request if you have failed to do so;
- b. Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- c. Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

5. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- a. The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

b. The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

6. If we cancel this policy, we will give written notice to the mortgageholder at least:

- a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- b. 30 days before the effective date of cancellation if we cancel for any other reason.

7. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

M. DEFINITION

1. "Actual Cash Value" means the amount it would cost to repair or replace Covered Property with material of comparable kind and quality, less allowance for deterioration and depreciation, including obsolescence.

BUILDING AND PERSONAL PROPERTY COVERAGE FORM**For Religious Institutions and Related Properties**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations Page. The words "we," "us," and "our" refer to Church Mutual Insurance Company. Other words and phrases that appear in quotation marks have special meaning. **Refer to Paragraph I - DEFINITIONS.**

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations Page caused by or resulting from any Covered Cause of Loss.

1. Covered Property.

Covered Property, as used in this Coverage Form, means the type of property described in this section, A. 1., and limited in A. 2., Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations Page, including:

- (1) Signs on or within 100 feet of the described premises.
- (2) Signs away from premises.
- (3) Completed additions.
- (4) Glass windows and their protective covering; including stained glass windows.
- (5) Electric sound amplification equipment and accessories.
- (6) Fixtures, including outdoor fixtures.
- (7) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment.
- (8) Fixed:
 - (a) Seats;
 - (b) Desks; and
 - (c) Tables.

- (9) Steeple, pews, baptistries, pulpits, railings, altars, lecterns, clocks, bells, and organs.

- (10) The following personal property owned by you that is used to maintain or service the building or structure or its premises:

- (a) Fire extinguishing equipment;
- (b) Outdoor furniture;
- (c) Floor coverings fastened to the floor; and
- (d) Appliances used for refrigerating, ventilating, cooking, dishwashing, or laundering.

- (11) If not covered by other insurance:

- (a) Alterations and repairs to the building or structure; and
- (b) Materials, equipment, supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations, or repairs to the building or structure.

- b. Your Personal Property (not otherwise insured under building) located in or on the building described in the Declarations Page or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following:**

- (1) Furniture and fixtures.
- (2) Machinery and equipment.
- (3) All other personal property owned by you and used in your operations.
- (4) Your use interest as tenant in improvements and betterments.

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Improvements and betterments are fixtures, alterations, installations, or additions:

(a) Made a part of the building or structure you occupy but do not own; and

(b) You acquired or made at your expense but cannot legally remove.

(5) Leased personal property for which you have a written contractual responsibility to insure. The contractual responsibility must have been established prior to any direct physical loss of or damage to the personal property.

2. Property Not Covered.

Covered Property does not include:

a. Accounts, bills, currency, deeds, evidences of debt, money, notes, or securities.

b. Animals.

c. Bridges, roadways, walks, patios, or other paved surfaces.

d. The cost of excavations, grading, backfilling, or filling.

e. Foundations of buildings, structures, machinery, or boilers if their foundations are below:

(1) The lowest basement floor; or

(2) The surface of the ground, if there is no basement.

f. Water, land (including land on which the property is located), and growing crops.

g. Bulkheads, pilings, piers, wharves, or docks.

h. Property that is covered under another Coverage Form of this policy or any other policy in which it is more specifically described.

i. Outdoor fences and retaining walls except as provided in the Coverage Extensions.

j. Underground pipes, flues, or drains.

k. The cost to research, replace, or restore the information on valuable papers and records, including those which exist on electronic or magnetic media, except as provided in the Coverage Extensions.

l. Vehicles or self-propelled machines (including automobiles, watercraft, and aircraft) that:

(1) Are operated principally away from the described premises; or

(2) Are licensed for use on public roads.

This Paragraph l. does not apply to your canoes or rowboats when on described premises.

m. The following property while outside of buildings:

(1) Grain, hay, straw, or other crops.

(2) Radio, television, satellite dish type, or other antennas, including their lead-in wiring, masts, or towers, except as provided in the Coverage Extensions.

(3) Trees, lawns, plants, or shrubs, except as provided in the Coverage Extensions.

B. DEDUCTIBLE

In any one occurrence of covered loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

Example No. 1:

This example assumes there is no coinsurance penalty.

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Deductible: \$250

Limit of Insurance - Bldg. 1: \$60,000
 Limit of Insurance - Bldg. 2: \$80,000

Loss to Bldg. 1: \$60,100
 Loss to Bldg. 2: \$90,000

The amount of loss to Bldg. 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Bldg. 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Bldg. 1:

\$60,100
 - 250
 \$59,850 Loss Payable - Bldg. 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Bldg. 2. Loss payable for Bldg. 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:
 \$59,850 + \$80,000 = \$139,850

Example No. 2:

This example, too, assumes there is no coinsurance penalty.

The Deductible and Limits of Insurance are the same as those in Example No. 1.

Loss to Bldg. 1: \$70,000 (exceeds Limit of Insurance plus Deductible)
 Loss to Bldg. 2: \$90,000 (exceeds Limit of Insurance plus Deductible)

Loss Payable - Bldg. 1: \$60,000 (Limit of Insurance)
 Loss Payable - Bldg. 2: \$80,000 (Limit of Insurance)
 Total Amount of Loss Payable: \$140,000

C. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations Page.

D. COVERED CAUSES OF LOSS

See the applicable Causes of Loss Form as shown in the Declarations Page.

E. EXCLUSIONS AND LIMITATIONS

See the applicable Causes of Loss Form as shown in the Declarations Page.

F. COVERAGE EXTENSIONS

Each of the following Coverage Extensions are additional insurance. The Coinsurance Condition does not apply to these Extensions.

1. Newly Constructed Buildings.

a. You may extend the insurance that applies to building to apply to:

(1) Your new buildings while being built in the United States of America, Puerto Rico, or Canada.

(2) Your additions to buildings:

(a) Covered by the Building and Personal Property Coverage Form; and

(b) Only if the addition is under construction.

b. Insurance under this Extension for newly constructed building will end when any of the following first occurs:

(1) This policy expires;

(2) 180 days expire after you begin to construct the property; or

(3) You report values to us.

We will charge you additional premium for values reported from the date construction begins. The most we will pay for loss or damage under this Extension is \$1,000,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

2. Newly Acquired Buildings and Newly Acquired Personal Property.

a. You may extend the insurance that applies to building and personal property to apply to any building and personal property you acquire that is located (other than at described premises) in the United States of America, Puerto Rico, or Canada. The building and personal

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property must be owned by you and intended for similar use as the building and personal property described in the Declarations Page.

- b. Insurance under this Extension for newly acquired building and personal property will end when any of the following first occurs:

- (1) This policy expires;
- (2) 180 days expire after you acquire the building or the personal property located therein; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The most we will pay for loss or damage under this Extension is \$1,000,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

3. Personal Property of Others.

- a. You may extend the insurance that applies to your personal property to apply to:

- (1) Personal property of your officers, trustees, employees, members, and guests; and
- (2) Personal property of others in your care, custody, or control.

- b. This Extension applies only when the personal property is at the premises described in the Declarations Page.

- c. This Extension does not apply:

- (1) To personal property that is located in dwelling or living quarters.
- (2) To personal tools and equipment of others.
- (3) To business and other personal property of your clergy.
- (4) If other insurance covers the same loss or damage, except we will pay for the amount of loss or damage we cover in excess of the amount due from that other insurance including

any deductible. We will not pay the amount due from that other insurance.

- d. Our payment for loss of or damage to personal property of others:

- (1) Will only be for the account of the owner of the property.

The most we will pay for all loss or damage under this Extension is \$5,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

4. Business Personal Property of Your Clergy.

- a. You may extend the insurance that applies to your personal property to apply to business personal property of your clergy.

- b. This Extension applies when business personal property of your clergy is at or away from the premises described in the Declarations Page.

- c. This Extension does not apply if other insurance covers the same loss or damage except we will pay for the amount of loss or damage we cover in excess of the amount due from that other insurance including any deductible. We will not pay the amount due from that other insurance.

- d. Our payment for loss of or damage to business personal property of your clergy will only be for the account of the owner of the property.

The most we will pay for all loss or damage under this Extension is \$10,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

5. Personal Tools and Equipment of Others.

- a. You may extend the insurance that applies to your personal property to apply to:

- (1) Personal tools and equipment of your volunteers, officers, trustees, employees, members, and guests; and
- (2) Personal tools and equipment of others in your care, custody, or control.

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b. This Extension applies only when the personal tools and equipment is used for the construction, renovation, or repair of the described premises in the Declarations Page.

c. This Extension does not apply:

(1) To tools and equipment that are located in dwelling or living quarters.

(2) If other insurance covers the same loss or damage, except we will pay for the amount of loss or damage we cover in excess of the amount due from that other insurance, including any deductible. We will not pay the amount due from that other insurance.

d. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

The most we will pay for all loss or damage under this Extension is \$5,000 for any one occurrence.

6. Valuable Papers and Records - Cost of Research.

You may extend the insurance that applies to your personal property to apply to your costs necessarily incurred to research, replace, or restore the lost information on lost or damaged valuable papers and records, including those which exist on electronic or magnetic media, for which duplicates do not exist.

The most we will pay under this Extension is \$10,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

7. Property Off Premises.

You may extend the insurance that applies to Covered Property to apply to:

a. Your Covered Property that is temporarily (not to exceed 180 days) removed from the premises described in the Declarations Page.

b. Your Covered Property in transit more than 100 feet from the premises described in the Declarations Page. We do not cover any loss or damage caused by or resulting from any transporting vehicle's collision with the roadbed.

This Extension applies to Covered Property anywhere in the world.

The most we will pay for loss or damage under this Extension is \$25,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

8. Outdoor Trees, Lawns, Plants, or Shrubs.

You may extend your insurance to cover loss or damage to outdoor trees, lawns, plants or shrubs at the described premises. Loss or damage includes debris removal expense and must be caused by or result from any of the following Causes of Loss:

a. Fire.

b. Lightning.

c. Explosion.

d. Riot.

e. Civil Commotion.

f. Aircraft.

g. Theft.

h. Vandalism.

i. Vehicles, except loss or damage:

(1) Caused by or resulting from maintenance, construction, or repairs.

(2) Which is cumulative, occurring over a period of days, weeks, or months.

The most we will pay for loss or damage to any one tree, lawn, plant, or shrub is \$500, unless a higher limit is shown on the Declarations Page. The most we will pay for all loss or damage under this Extension is \$5,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

9. Structures on Premises.

You may extend the insurance that applies to your buildings or personal property to apply to permanent structures owned by you. The permanent structures must be located on the premises described in the Declarations Page and be separated from buildings by clear space.

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a. Structures on Premises include:

- (1) Crosses, statuary, and similar religious structures;
- (2) Maintenance, service or storage buildings and their contents;
- (3) Fences and retaining walls;
- (4) Pavilions and similar shelters;
- (5) Light bearing standards or poles; and
- (6) Radio, television, satellite dish type or other antennas (and their lead-in wiring, masts or towers) even if not separated from buildings by clear space.

b. Structures on Premises does not include:

- (1) Any structure located on cemetery premises;
- (2) Any structure that pertains to the occupancy of a dwelling;
- (3) Any building (other than maintenance, service, or storage buildings and their contents); or
- (4) Any outside signs.

The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

10. Dwelling.

You may extend the insurance that applies to any dwelling occupied by not more than four families and described in the Declarations Page to apply to that dwelling's:

- a. "Related private structures."
- b. "Property in the dwelling."
- c. "Rental value."
- d. "Additional living expense."

The most we will pay for loss or damage to dwelling related private structures under this Extension is up to 10% of the Limit of Insurance shown for that dwelling in the Declarations Page.

The most we will pay for loss or damage to property in the dwelling under this Extension is up to 5% of the Limit of Insurance shown for that dwelling in the Declarations Page.

The most we will pay for loss of dwelling rental value under this Extension is up to 10% of the Limit of Insurance shown for that dwelling in the Declarations Page.

The most we will pay for the cost of additional living expense under this Extension is up to 10% of the Limit of Insurance shown for that dwelling in the Declarations Page.

As respects this Extension, when blanket coverage applies to a described dwelling, we will determine that dwelling's Limit of Insurance at the time of loss or damage as the replacement value of the dwelling.

G. ADDITIONAL COVERAGES

Each of the following Additional Coverages provides an additional amount of insurance unless otherwise indicated.

1. Debris Removal

a. Subject to Paragraphs c. and d., we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

b. Debris Removal does not apply to costs to:

- (1) Extract "pollutants" from land or water; or
- (2) Remove, restore, or replace polluted land or water.

c. Subject to the exceptions in Paragraph d., the following provisions apply:

- (1) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
- (2) Subject to (1) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the

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deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

- d. We will pay an additional \$10,000, unless a higher limit is shown on the Declarations Page, for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

- (1) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
- (2) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if d. (1) and/or d. (2) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000, unless a higher limit is shown on the Declarations Page.

e. Examples

The following examples assume that there is no coinsurance penalty.

Example #1

Limit of Insurance	\$90,000
Amount of Deductible	\$500
Amount of Loss	\$50,000
Amount of Loss Payable	\$49,500
	(\$50,000-\$500)
Debris Removal Expense	\$10,000
Debris Removal Expense Payable	\$10,000
	(\$10,000 is 20% of \$50,000)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense

is payable in accordance with the terms of Paragraph c.

Example #2

Limit of Insurance	\$90,000
Amount of Deductible	\$500
Amount of Loss	\$80,000
Amount of Loss Payable	\$79,500
	(\$80,000-\$500)
Debris Removal Expense	\$30,000
Debris Removal Expense Payable	
Basic Amount	\$10,500
Additional Amount	\$10,000

The basic amount payable for debris removal expense under the terms of Paragraph c. is calculated as follows: \$80,000 (\$79,500 + \$500) X .25 = \$20,000; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph d., because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph d. Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

2. Preservation of Property.

If it is necessary to move Covered Property from the premises described in the Declarations Page to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss of or damage to that property:

- a. While it is being moved or while temporarily stored at another location; and
- b. Only if the loss or damage occurs within 30 days after the property is first moved.

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This is not an additional amount of insurance.

3. Fire Department Service Charge.

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000, unless a higher limit is shown on the Declarations Page, for your liability for fire department service charges:

- a. Assumed by contract or agreement prior to loss; or
- b. Required by local ordinance.

No deductible applies to this Additional Coverage.

4. Fire Extinguisher and Fire Suppression System Recharge

- a. We will pay the actual cost to recharge fire extinguishers after their use in fighting a fire at the described premises.
- b. We will pay the actual cost to recharge fire suppression systems due to leakage or discharge at the described premises. However, this provision applies only if the leakage or discharge of the fire suppression system is caused by a Covered Cause of Loss.

5. Institutional Income and Extra Expense.

a. Institutional Income.

We will pay your actual loss of net income that occurs during the period from the date of loss to the date the property can reasonably be restored to a tenantable condition but not longer than 12 consecutive months following the date of the direct physical loss or damage, if your "operations" or occupancy are necessarily interrupted because of direct physical loss of or damage to covered property at the described premises, resulting from a covered cause of loss. In determining the amount of any loss, we will consider the history of your income prior to the loss.

Institutional income means:

(1) Net Income. This means:

- (a) Total receipts and contributions (less operating expenses) normally received during the

period of disruption of operations; and

- (b) Necessary continuing normal operating expenses;

Received or incurred by your "operations." We will consider payroll continuation and other expenses to the extent necessary to resume your "operations" with the same quality of service that existed before the loss.

(2) Rents. This means:

- (a) Your actual loss of rental income from your building as furnished or equipped; and
- (b) Any of your expenses that your tenants had agreed to pay; and
- (c) The "rental value" of any part of the building that you occupy;

Less any expenses that do not continue.

You must do all you can to reduce the loss. We do not cover any increase in loss due to your failure to use reasonable efforts to resume complete or partial operations. This includes making use of other locations and property to reduce the loss.

b. Extra Expense.

We will pay any actual and necessary extra expense sustained by you due to direct physical loss of or damage to Covered Property (except any dwelling) at the premises described in the Declarations Page caused by or resulting from any Covered Cause of Loss.

- (1) Extra expense means necessary "additional expense" you incur during the "period of restoration":

- (a) To avoid or minimize the "suspension" of your "operations":

- 1) At the premises described in the Declarations Page.
- 2) At replacement premises or at temporary locations including relocation

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expenses and costs to equip and operate the temporary or replacement locations.

(b) To minimize the "suspension" of your "operations" if you cannot continue "operations."

(c) To reduce the amount of loss otherwise payable by:

1) Repairing or replacing any property; or

2) Researching, replacing, or restoring the lost information on damaged valuable papers and records;

to the extent 1) or 2) above, reduce the amount of loss otherwise payable.

c. Civil Authority.

We will pay for the actual loss of Institutional Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss. The coverage for Institutional Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for Extra Expense will begin immediately after the time of that action and will end:

(1) Three consecutive weeks after the time of that action; or

(2) When your Institutional Income coverage ends;

whichever is later.

d. Alterations and New Buildings.

(1) We will pay for the actual loss of Institutional Income you sustain due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

(a) New buildings or structures, whether complete or under construction;

(b) Alterations or additions to existing buildings or structures; or

(c) Machinery, equipment, supplies, or building materials located on or within 100 feet of the described premises; and

1) Used in the construction, alterations, or additions; or

2) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations," the "period of restoration" will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

e. Extended Institutional Income.

(1) Institutional Income other than "Rental Value."

If the necessary "suspension" of your "operations" produces an Institutional Income loss payable under this policy, we will pay for the actual loss of Institutional Income you incur during the period that:

(a) Begins on the date property is actually repaired, rebuilt, or replaced and "operations" are resumed; and

(b) Ends on the earlier of:

1) The date you could restore your "operations," with reasonable speed, to the level which would generate the institutional income amount that would have existed if no direct physical loss or damage had occurred; or

2) 30 consecutive days after the date determined in (a) above.

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However, Extended Institutional Income does not apply to loss of Institutional Income sustained or extra expense incurred as a result of unfavorable operating conditions caused by disruption to properties not insured under this policy.

Loss of Institutional Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

(2) "Rental Value."

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt, or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
 - 1) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
 - 2) 30 consecutive days after the date determined in (a) above.

However, Extended Institutional Income does not apply to loss of "Rental Value" incurred as a result of disruption of properties not insured under this policy.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

The most we will pay under this Additional Coverage for Institutional Income and Extra Expense is \$10,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

6. Lock Replacement.

We will pay any necessary expense to repair or replace exterior or interior door locks of a covered building:

- a. If your door keys are stolen in a covered theft loss; or
- b. When your property is damaged and your door keys are stolen by burglars.

The most we will pay under this Additional Coverage is \$500, unless a higher limit is shown on the Declarations Page, for any one occurrence.

7. Refrigerated Food Products.

We will pay for loss of or damage to refrigerated food products at the premises described in the Declarations Page caused by the interruption of power supply services to those premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property used to supply power to your premises.

The most we will pay under this Additional Coverage is \$1,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

8. Arson Reward.

We will pay a reward for information leading to a conviction for arson. The reward is payable only for information concerning a fire loss to property covered by this policy.

The most we will pay as a reward is \$5,000, unless a higher limit is shown on the Declarations Page, even if more than one person provides information leading to a conviction for arson. We will base the amount of our reward payment on the value of the information furnished.

No deductible applies to this Additional Coverage.

This Additional Coverage does not apply to anyone who personally participated in the arson.

9. Pollutant Cleanup and Removal.

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge,

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dispersal, seepage, migration, release, or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants," but we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Cause of Loss occurring during each separate 12 month period of this policy.

10. Building Ordinance.

a. If a Covered Cause of Loss occurs to covered building property, we will pay:

- (1) Coverage for Loss to the Undamaged Portion of the Building.

With respect to the building that has sustained covered direct physical damage we will pay for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires the demolition of undamaged parts of the same building.

- (2) Demolition Cost Coverage.

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

- (3) Increased Cost of Construction Coverage.

a) With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- 1) Repair or reconstruct damaged portions of that Building property; and/or
- 2) Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- 1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning, or land use ordinance or law.
- 2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed, or remodeled.

- b) When a building is damaged or destroyed and Increased Cost of Construction Coverage applies to that building in accordance with 3)a) above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in 3)a):

- 1) The cost of excavations, grading, backfilling, and filling;
- 2) Foundation of the building;
- 3) Pilings; and
- 4) Underground pipes, flues, and drains.

The items listed in b)1) through b)4) above, are deleted from Property Not Covered, but only with respect to the coverage described in this provision, (3)b).

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b. Application Of Coverage(s).

The Coverage(s) provided by this additional coverage apply only if both b.(1) and b.(2) are satisfied and are then subject to the qualifications set forth in b.(3).

(1) The ordinance or law:

- a) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

b) Is in force at the time of loss.

But coverage under this additional coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this additional coverage.

- (2) a) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or

- b) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.

- c) But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this additional coverage even if the building has also sustained covered direct physical damage.

- (3) In the situation described in b.(2)b) above, we will not pay the full amount of loss otherwise payable under the terms of Paragraph a. of this additional coverage. Instead, we will pay a proportion of such loss;

meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Paragraph a. of this additional coverage.

c. Loss Payment

- (1) All following loss payment Provisions, c.(2) through c.(4), are subject to the apportionment procedures set forth in Paragraph b. of this additional coverage.

- (2) When there is a loss in value of an undamaged portion of a building to which Coverage for Loss to the Undamaged Portion of the Building applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

- a) If the Replacement Cost Coverage Option applies and the property is repaired or replaced, on the same or another premises, we will not pay more than the amount you actually spend to repair, rebuild, or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style, and comparable quality of the original property insured.

- b) If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the actual cash value of the building at the time of loss.

- (3) Loss payment under Demolition Cost Coverage is the amount you actually spend to demolish and clear the site of the described premises.

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- (4) Loss payment under Increased Cost of Construction Coverage will be determined as follows:
- a) We will not pay under Increased Cost of Construction Coverage:
 - 1) Until the property is actually repaired or replaced, at the same or another premises; and
 - 2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Increased Cost of Construction is the increased cost of construction at the same premises; or
 - c) If the ordinance or law requires relocation to another premises, the most we will pay under Increased Cost of Construction is the increased cost of construction at the new premises.
- d. Under this Additional Coverage, we will not pay for:
- (1) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling, or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread, or any activity of "fungus," wet or dry rot or bacteria; or
 - (2) Any costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants," "fungus," wet or dry rot or bacteria.

e. Under this additional coverage, we will not pay for loss due to any ordinance or law that:

- 1. You were required to comply with before the loss, even if the building was undamaged; and
- 2. You failed to comply with.

The most we will pay under this Additional Coverage is \$100,000, unless a higher limit is shown on the Declarations Page, for any one occurrence.

H. OPTIONAL COVERAGES

If shown as applicable in the Declarations Page, the following Optional Coverages apply separately to each item.

- 1. Agreed Value.
 - a. The Coinsurance Condition does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations Page.
 - b. The terms of this Optional Coverage apply only to loss or damage that occurs on or after the effective date of this Optional Coverage.
- 2. Automatic Increase in Insurance.
 - a. The Limit of Insurance for buildings and personal property described in the Declarations Page shall be increased at the same rate as the increase in the published construction cost multipliers on file with the company.
 - b. We will determine the Limit of Insurance as of the time of loss or damage as follows:
 - (1) We will multiply the latest available published construction cost multiplier by the Limit of Insurance shown for the lost or damaged property.

The Limit of Insurance as determined above will not be reduced to less than the limit shown in the Declarations Page.

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If the Limit of Insurance for any building or personal property is changed during the term of this policy, the inception date of this Optional Coverage for that property will be the same as the date of the change.

I. DEFINITIONS

1. "Additional expense" means expense you incur that you would not have incurred if there had been no direct physical loss or damage. When your operations are resumed, we will deduct from the total of such expenses the salvage value that remains of any property bought for temporary use during the "period of restoration."

2. "Additional living expense" means any necessary increase in living expenses you incur for your employees (including your clergy) so they can maintain their normal standard of living.

"Additional living expense" begins with the date the premises are untenable due to covered loss or damage and ends on the date the premises should be repaired or rebuilt with reasonable speed and similar quality.

3. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

4. "Operations" means your institutional activities occurring at the described premises and the tenantability of the described premises, if coverage for Institutional Income including "Rental Value" or "Rental Value" applies.

5. a. "Period of Restoration" means the period of time that:

(1) Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and

(2) Ends on the date when the property at the described premises should be repaired, rebuilt, or replaced with reasonable speed and similar quality.

b. "Period of Restoration" does not include any increased period required due to the enforcement of any law that:

(1) Regulates the construction, use or repair, or requires the tearing down of any property; or

(2) Requires any insured or others, to test for, monitor, clean-up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants."

The expiration date of this policy will not cut short the "period of restoration."

6. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

7. "Property in the dwelling" means personal property you own located in dwelling quarters maintained by you for use by an employee.

8. "Related private structures" means any structure located on the same premises as the described dwelling and which pertains to the occupancy of the dwelling.

9. "Rental value" means:

a. The actual gross rental income from tenant occupancy of the dwelling as furnished and equipped by you; plus

b. The amount of all charges which were the legal obligations of the tenant and which become your obligation.

"Rental value" coverage begins with the date the premises are untenable due to covered loss or damage and ends on the date the premises should be repaired or rebuilt with reasonable speed and similar quality.

10. "Suspension" means:

a. The slowdown or cessation of your business activities; or

b. That a part or all of the described premises is rendered untenable, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE EXTENSIONS AND ADDITIONAL COVERAGES - LIMIT OF INSURANCE

This endorsement modifies insurance provided under the Property Coverage Part.

The following change is made to the Building and Personal Property Coverage Form.

A. COVERAGE EXTENSIONS AND ADDITIONAL COVERAGES - LIMIT OF INSURANCE

1. The Limits of Insurance for the Coverage Extensions and Additional Coverages of the Building and Personal Property Coverage Form are replaced by the new applicable Limits of Insurance shown on the schedule in the Declarations Page.

Refer to the Declarations Page to determine the Limit of Insurance and Coverage Extensions or Additional Coverages this endorsement applies to.

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03/10/18

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SYSTEMS/EQUIPMENT BREAKDOWN COVERAGE FORM

This endorsement modifies insurance provided under the Property Coverage Part and the Inland Marine Coverage Part.

The following is added to the Causes of Loss - Basic Form, Causes of Loss - Broad Form, and Causes of Loss - Special Form, and Inland Marine Builders' Risk Coverage Form. This coverage is subject to the terms and conditions of this form and the terms and conditions of the policy to which it is attached.

A. ADDITIONAL COVERED CAUSES OF LOSS

1. When the SYSTEMS/EQUIPMENT BREAKDOWN COVERAGE form is shown in the Declarations Page, Covered Causes of Loss include:

- a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - b. Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances, or wires;
 - c. Explosion of steam boilers, steam pipes, steam engines, steam turbines, owned or leased by you or operated under your control; and
 - d. Loss or damage to steam boilers, steam pipes, steam engines, or steam turbines caused by or resulting from any condition or event inside such equipment.
 - e. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
2. The coverage provided by this form includes equipment that is owned by you, a utility, or others that is:
- a. Within 500 feet of the premises described in the Declarations Page; or
 - b. More than 500 feet from the premises described in the Declarations Page but is used to solely supply these premises.

We will pay for losses or damages covered by this policy that are the direct result of damage to this equipment from a covered cause of loss provided by this form in Section A.1. above.

3. The following Exclusions and Limitations do not apply to the coverage provided by this form:

- a. CAUSES OF LOSS - BASIC FORM, A 125, if applicable, Exclusions B.2.a., B.2.d., and B.2.e.

b. CAUSES OF LOSS - BROAD FORM, A 126, if applicable, Exclusions B.2.a., B.2.b., and B.2.c.

c. CAUSES OF LOSS - SPECIAL FORM, A 127, if applicable, Exclusions B.2.a., B.2.d.(6), and B.2.e., and Limitations C.1.a. and C.1.b.

d. INLAND MARINE BUILDERS' RISK COVERAGE FORM, A 403, if applicable, Exclusions E.2.a., E.2.d.(6), and E.2.e., and Limitations F.1.a. and F.1.b.

B. ADDITIONAL EXCLUSIONS

The following additional exclusions apply to the coverage provided by this form.

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- a. Frost, freezing, or other effects of cold weather;
- b. Ice, snow, sleet, or hail, whether driven by wind or not;
- c. Wind; or
- d. Water or liquid damage, except if a covered cause of loss provided by this form in Section A.1. above results from a flood, we will pay for the resulting loss.

2. We will not pay for any loss or damage caused by or resulting from:

- a. Depletion, deterioration, corrosion, or erosion; or
- b. Wear and tear;

unless a covered cause of loss provided by this form in Section A.1. results. In that event, we will pay for loss or damage to your Covered Property which is the direct result of this covered cause of loss.

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3. We will not pay for loss or damage to the following items of property:

- a. Buildings, structures, or inflatable structures;
- b. Retaining walls, bulkheads, piers, wharves, docks, structures located on or partially over water;
- c. Pavements, foundations, walls, floors, roofs, ceilings, glass, cabinets, compartments, or similar items;
- d. Vehicles, self-propelled equipment, aircraft, or watercraft;
- e. Any machine or apparatus used for research, diagnosis, medication, surgical, therapeutic, dental, or pathological purposes;

unless this property is damaged as the direct result of a covered cause of loss provided by this form in Section A.1. to property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission, or utilization of energy.

4. We will not pay for loss or damage to buried vessels, pipes, flues, or drains.

C. ADDITIONAL COVERAGE EXTENSION

The following extensions apply to the coverage provided by this form.

1. Expediting Expenses.

With respect to Covered Property damaged by a covered cause of loss provided by this form in Section A.1., we will pay the reasonable extra cost to make temporary repairs, expedite permanent repairs, and expedite permanent replacement.

2. Hazardous Substances

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional expenses to clean up or dispose of such property.

"Hazardous substance" means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.

Additional costs mean those beyond what would

have been required had no "hazardous substance" been involved.

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain, necessary Extra Expense you incur, and loss under Spoilage coverage, is \$100,000.

3. Spoilage.

- a. Your loss to perishable goods due to spoilage resulting from lack of power light, heat, steam, or refrigeration from a covered cause of loss provided by this form in Section A.1.
- b. Expense to reduce such loss. This expense is limited to the smaller of amount expended to reduce spoilage loss or the spoilage loss that would result if no expenditure had been made to reduce spoilage loss.

D. ADDITIONAL CONDITIONS

The following conditions apply to the coverage provided by this form:

1. Suspension.

Upon our discovery of a dangerous condition with respect to any item of property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission, or utilization of energy, any of our representatives may immediately suspend the coverage provided by this form for that item of property. This can be done by delivering or mailing a written notice of suspension to you, at your address shown in this policy, or at the location of the property.

Once we have suspended your coverage in this manner, your insurance can be reinstated only by an endorsement.

If we suspend your insurance, you will get a pro rata refund of premium, but the suspension will be effective even if we have not yet made or offered a refund.

2. Jurisdictional Inspections.

If any property that is covered equipment under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf.